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23 September 1960

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CENTRAL INTELLIGENCE BULLETIN



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DAILY BRIEF

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I. THE COMMUNIST BLOC

USSR-Bolivia: Bolivian Senator Mario Torres, who is also secretary general of the politically powerful mine workers' federation, has returned from the USSR saying he has a Soviet offer of credits for tin-extraction and -refining equipment, according to a Havana radio announcement. Similarly, Radio Moscow reports that Khrushchev told Bolivia's representative at the UN, "You have a lot of tin; we might buy it and supply you with extraction and refining equipment." A genuine Soviet offer of tin-mining equipment and a refinery would be more attractive to Bolivia's leftist government than would any other possible aid offer at this time.

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Vietnam:

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Diem is in fact facing a growing danger from peasant unrest and increasing criticism of his leadership and complaints about his authoritarian rule, as well as from Communist guerrilla activities.

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Hanoi is not relying on guerrilla tactics alone, but expects a coup that would bring in a government willing to negotiate with the Communists. In recent speeches, North Vietnamese officials have indicated willingness to join forces with any non-Communist dissident elements in the South.

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II. ASIA-AFRICA

Libya: King Idris is expected soon to accept the proffered resignation of Prime Minister Kubar and to undertake a major shake-up of the federal cabinet. Dissatisfaction with the Kubar administration has increased, particularly in urban areas, and

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is focused on the issue of corruption among high-level officials. In response to a petition signed by a majority of the members of parliament, Idris has ordered parliament to reconvene in extraordinary session on 3 October to discuss the latest scandal connected with government financing of the Fezzan road project.

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Mali: The decision of Soudanese leaders to recognize the dissolution of the Mali Federation--from which Senegal seceded last month--and to rename Soudan the Republic of Mali paves the way for the early admission into the UN of both Senegal and Mali. Soudanese leaders apparently became convinced of the necessity of abandoning the legal fiction that the federation still existed when the UN General Assembly on 20 September held Mali's application in abeyance while admitting 13 other African states. A special congress of Soudan's only political party--postponed from last weekend to await the UN's action--yesterday formally noted the federation's end "as a territorial entity." The congress also declared Mali "freed of all political obligations vis-a-vis France"--a statement which suggests the Soudanese intend to implement their earlier threat to withdraw from the French Community.

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***Laos:** Vientiane's claim that its troops have wrested control of Paksane from General Phoumi's forces appears confirmed.

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Phoumi's troops have withdrawn to form a new defense line some 20 miles east of that town. Phoumi and Prince Boun Oum flew to Bangkok on 22 September for consultations with Thai Premier Sarit, possibly involving an urgent appeal for increased assistance in the light of the military reverses at Paksane. Commentary by Moscow, Peiping, and Hanoi on the Laotian crisis is seeking to create an ominous atmosphere without, however, threatening direct bloc intervention.

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**IV. SIGNIFICANT INTELLIGENCE
REPORTS AND ESTIMATES**

(Available during the preceding week)

Likelihood and Consequences of the Developments of Nuclear Capabilities by Additional Countries and Time Estimates for Such Development. NIE 100-4-60, 20 September 1960. [REDACTED]

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Key Bolivian Labor Leader Reports Soviet Credit Offer for Tin Exploitation

Mario Torres, a Bolivian senator and secretary general of the politically powerful mine workers' federation, has returned from the USSR saying he has a Soviet offer of credits for tin-extraction and -refining equipment, according to a Havana radio announcement. Radio Moscow reported on the same date that Khrushchev told Bolivia's United Nations representative, "You have a lot of tin; we might buy it and supply you with extraction and refining equipment."

Similar overtures by Soviet officials are often made in conversation with foreign representatives and usually do not indicate a firm trade or aid offer but only a gesture within the framework of the over-all Soviet economic offensive. Tentative Soviet offers of economic aid to Bolivia for mineral and petroleum exploitation have been reported since 1957. The current probes may indicate that Moscow is testing the reaction of the new Bolivian government toward closer economic and political relations with the USSR.

A genuine Soviet offer of tin-mining equipment and a tin refinery within Bolivia would probably be more attractive to Bolivians generally than any other possible offer. Tin makes up more than half of Bolivia's exports. Almost all its tin must be refined in Britain in a smelter in which the former owners of the Bolivian mines have a part interest, and a percentage of the return on tin is regularly applied as payment for the nationalized mines, although many Bolivians believe that the owners have already been fully recompensed.

Current estimates of Soviet tin imports, production, and consumption indicate that purchases from Bolivia would be motivated by political aims. The USSR is not completely self-sufficient in tin, but through the use of substitutes and more efficient use of its tin supplies it could satisfy its internal demands. By importing from Communist China it now meets

East European requirements for tin and sells some to the free world for hard currency. There is no indication that Moscow is looking for additional sources of tin imports at present, and such imports would be required only in the event of a virtual elimination of imports from Communist China.

A Bolivian newspaper opposing the administration reported that the foreign minister had informed the press on 19 September that Bolivia would soon send an ambassador to Moscow but that the appointee had not yet been selected. Bolivia and the USSR, in an exchange of notes between the two governments in 1946, agreed to establish diplomatic relations but the agreement has never been implemented. The new Bolivian President had stated in late August that Bolivian law provided for the establishment of an embassy in Moscow--through a congressional fund allocation in October 1959--and that his government intended to "carry out the laws." Bolivia now has no missions in the bloc, and the Czech Legation is the only resident bloc mission in La Paz.



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Although the intensification of guerrilla activity since the beginning of 1960 has not posed an immediate threat to the South Vietnamese Government, President Diem faces the twofold danger of a gradual extension of Communist control in the countryside, where peasant discontent is widespread, and of increasingly articulate complaints about his leadership and his authoritarian tendencies from labor, youth, intellectual, and refugee circles in Saigon. This opposition is not well organized and its leaders are non-Communist, but there is a possibility that such groups might stage public protests which Communist infiltrators would exploit. A leader of a political opposition group recently reported that Communist agents had approached him with offers of assistance in overthrowing Diem and establishing a neutral government.]

At the North Vietnamese party congress earlier this month, Le Duan, Ho Chi Minh's top lieutenant in party affairs, called for a broad united front in the South. Le Duan, himself long associated with guerrilla activities below the 17th parallel, said that Hanoi would join with any forces--whether Communist or not--opposed to Diem. Hanoi's "broad united front" probably will take the form of coordinating guerrilla activities with the anti-Diem efforts of disaffected elements in an effort to further the major North Vietnamese objectives--removal of US influence and "reunification" of Vietnam under a Communist regime.]

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Shake-up Expected in Libyan Government

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Dissatisfaction with the present Libyan government has increased, particularly in urban areas, and is focused on corruption among high-level officials. Such corruption is not new in Libya, but recent examples of it have been especially flagrant and may lead to dismissal of the government. Among them have been bribes to officials in connection with the awarding of oil concession areas, land speculation on the basis of tip-offs by government personnel, and a new facet of the scandal connected with government financing of the Fezzan road project.

This latter affair has caused considerable criticism in the press, and a majority of the membership of the Libyan parliament signed a petition requesting King Idris to call an extraordinary session. The King, who in July had sent a letter to government officials ordering action to stamp out corruption, has responded to the petition by ordering parliament to reconvene in special session on 3 October to discuss the Fezzan road project.

The King is expected soon to accept the resignation proffered by Prime Minister Kubar more than six weeks ago and to undertake a major shake-up of the federal cabinet. Many prominent politicians--such as ex-Prime Minister Ben Halim--who might ordinarily be considered possible replacements for Kubar now are likely to be ruled out because they too have been implicated in unsavory dealings. The King may name, as new prime minister, Sheik Abd al-Hamid Dibani, the minister of justice who has occasionally been acting prime minister. Dibani has previously served as judge in the Shari courts, as president of the Cyrenaican Executive Council, and as Supreme Court Justice; he is widely respected as a scholar and religious leader and has been a vigorous defender of the government's policies against the attacks of a minority bloc in the parliament.

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Soudan Adjusts to Dissolution of Mali Federation

Soudan's political leaders decided on 22 September, at a special congress of the country's only political party, to acknowledge the dissolution of the Mali Federation and accept separate membership in the international community for Soudan as the Republic of Mali. The Soudanese thus abandoned further efforts to sustain the legal fiction that the federation still existed despite Senegal's secession last month and its subsequent recognition by France and a number of other states.

The decision appears to clear the way for the early admission to the UN of both Senegal and Mali. The General Assembly's postponement earlier this week of action on Mali's pending application--approved by the Security Council last summer when the federation became independent--was apparently the decisive factor influencing the Soudanese to alter their position.

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Declaring the Mali Republic "free of all political obligations to France," the party congress also served notice that Premier Modibo Keita's government intends to regard as void the French-Mali cooperation accords negotiated last spring. Although this position does not preclude the possibility that some new arrangements might eventually be concluded, it does raise serious doubts about Mali's continued membership in the French Community. More specifically, it suggests that the Keita regime may soon demand the evacuation of the four bases and [approximately 4,400] troops which France maintains in Soudan under the old accords and regards as important to the containment of the Algerian rebellion. Keita, who is under strong pressure from Soudanese extremists anxious to assist the Algerian rebels, reportedly stated earlier this month that recognition of Senegal by France would lead to an all-out effort--including a resort to the UN if necessary--to force the eviction of the French troops.

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[On the other hand, Keita indicated to special American representative Yost in Bamako on 21 September that, while future cooperation with the French would be limited, it would]

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not cease entirely. He also said his country does not intend to fall under the "trusteeship" of Guinea, although it would seek "acceptable arrangements" with Conakry.]

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[Toward Senegal, however, Keita's regime apparently intends to maintain a hard and vindictive policy aimed at the eventual overthrow of President Senghor and his followers. Keita told Yost that economic ties between Senegal and Soudan--upon which Senegal's economy is more dependent than is Soudan's--would remain severed as long as the present leaders of Senegal remain in power.]

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The Situation in Laos

[Radio Vientiane's claim that troops loyal to the Souvanna Phouma government have captured Paksane, about 75 miles east of the capital, would appear confirmed]

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[General Phoumi, leader of the Savannakhet Revolutionary Committee, had had a force of about three battalions in Paksane awaiting orders to march on Vientiane. An engagement between the Phoumi forces and Vientiane troops took place on 20 September and apparently further clashes occurred the next day. [the Phoumi forces were withdrawing eastward and planned to establish a new defense line at the Ca Dinh River.]

[Phoumi's military reverse may have been responsible for his sudden trip to Bangkok, accompanied by Prince Boun Oum, on 22 September for consultations with Thai Premier Sarit. Sarit has become increasingly open in his expressions of sympathy for the Savannakhet group, and Phoumi may hope to extract more material support from his uncle.]

In their continuing commentary on the Laotian crisis, Moscow, Peiping, and Hanoi have sought to create an air of foreboding about the situation without, however, issuing any threats of direct bloc intervention. Hanoi on 19 September charged the United States with "instituting a civil war" which could be transformed into an "international conflagration." The broadcast further stated that the Laotian situation was "a direct threat to the security" of North Vietnam and that "the Vietnamese people cannot remain indifferent." On 21 September, Moscow issued a statement charging "crude interference" by the United States and SEATO and remarking that the "Soviet Union is attentively watching the courageous struggle waged by the peoples of Laos." All three Communist states seem to confine the "struggle" to the Laotian people and bitterly denounce what they term "US instigation" of "intervention" by Thailand and South Vietnam.

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Executive Secretary, National Security Council

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The Deputy Under Secretary of State for Political Affairs

The Deputy Under Secretary of State for Administration

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The Secretary of the Air Force

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The Director, The Joint Staff

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Chief of Naval Operations, United States Navy

Chief of Staff, United States Air Force

Commandant, United States Marine Corps

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Director for Intelligence, The Joint Staff

Assistant Chief of Staff for Intelligence, Department of Army

Director of Naval Intelligence, Department of Navy

Assistant Chief of Staff, Intelligence, Department of the Air Force

Supreme Allied Commander, Europe

Commander in Chief, Pacific

The Department of Commerce

The Secretary of Commerce

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